

Pre-payment Meters in the UK - neither green nor fair

In the UK, Pre-payment meters (PPMs) have had a disastrous impact on the living standards of the poorest people.

Approximately 7 million people use them and according to the Annual Report on Fuel Poverty Statistics 2012 the highest fuel poverty rate by payment method is amongst households that pay for fuel using a Pre-Payment Meter. Under British law, Energy Companies have the right to break into peoples' homes and install pre-payment meters. The pre-payment meter has become a way for energy companies to secure profits from some of the most vulnerable customers who can end up cutting themselves off when they cannot afford to top up the meter, condemning them to cold, dark and damp conditions as well as more debt.

People on Prepayment Meters use the least energy but ending up paying the most for it - this is neither Green nor fair. Just 19% of key meter users in a recent Citizens Advice Bureau survey asked to have their meters installed. 75% of those on prepayment meters said they found it difficult to pay for gas and electricity and 64% said they found it difficult to pay for food.

Whilst we at Fuel Poverty Action are committed to seeing energy efficiency and climate-saving measures in all energy generation and consumption, the current function of Pre-Payment Meters does not serve green, democratic or fuel poverty alleviating agendas. Instead they give companies more power to secure their own interests rather than those of the most indebted, vulnerable and precarious people, suffering both housing and financial insecurity.

We have been collating people's experiences of prepayment meters in the last few weeks which can be read here:

<http://fuelpovertyaction.org.uk/speak-out-on-your-situation/> and here:

<http://fuelpovertyaction.org.uk/2014/01/07/prepayment-meters-we-need-your-help/>

Fuel Poverty Action's position on prepayment meters is this:

- Prepayment meters are a way to make poorer people 'self disconnect' and endure cold, damp and darkness when they do not have cash to put into the meter
- They reinforce the debt cycle-even if a customer does not use any energy whatsoever, they are still forced to put money into their meter which comes off as a 'standing charge' which can end up pushing them further into debt.
- There is insufficient information given to households with PPMs- for example on the Standing Charge that comes off on a daily basis- meaning that people often stop topping up, only to accrue a debt without even realising it which means that the next time they have sufficient cash to top up they have a Standing Charge debt to pay off before they can even get any energy to use
- In some cases, if customers over-use the emergency credit on a PPM, they will be totally cut off (E.ON have warned their customers of this). Many people often rely on emergency credit because they have no alternative.

We want to see the following:

- No one should have a Pre-Payment Meter installed against their will
- Home break-ins to force people onto meters should not be legal
- The Standing Charge should be scrapped or drastically reduced
- Households on meters should have the same access to cheaper tariffs as households on direct debit
- Unless these conditions can be met, it would be unwise for German groups to agree to Pre-Payment meters being installed in your country.

*Fuel Poverty Action,
January 2014*



fuelpovertyaction.org.uk
@FuelPovAction
facebook.com/fuelpovertyaction
fuelpovertyaction@gmail.com
07586 482157